

Attachment C: Financial Qualifications

Permit of License Bond

License or Permit Bond
License or Permit Bond No. 104967804
Travelers Casualty and Surety Company of America
14048 ParkEast Circle
Chantilly, VA 20151

KNOW ALL MEN BY THESE PRESENTS, That we, **FirstEnergy Solutions Corp.** as Principal, and **Travelers Casualty and Surety Company of America**, a Connecticut Corporation, and authorized to do business in Illinois, as Surety, are held and firmly bound unto THE PEOPLE OF THE STATE OF ILLINOIS as Obligee, in the sum of **Three Hundred Thousand Dollars and no/100 Dollars (\$300,000.00)**, for which sum, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH, That WHEREAS, the Principal has been or is about to be granted a license or permit to do business to operate as an ARES (Alternative Retail Electric Supplier) under 220 ILCS 5/16-115 and is required to execute this bond under 83 Illinois Administrative Code Part 451.50 by the Obligee.

NOW, Therefore, if the Principal fully and faithfully perform all duties and obligations of the Principal as an ARES, then this obligation to be void; otherwise to remain in full force and effect.

This bond may be terminated as to future acts of the Principal upon thirty (30) days written notice by the Surety; said notice to be sent to 527 East Capitol Avenue, Springfield, Illinois 62701, of the aforesaid State of Illinois, by certified mail.

Dated this 8th day of October, 2007.

FirstEnergy Solutions Corp.

By James F. Pearson
(name/title)

Travelers Casualty and Surety Company of America

By Kimberly L. Miles
Kimberly L. Miles, Attorney-in-fact (name/title)



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 218064

Certificate No. 001544370

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Andrew K. Teeter, Donna J. Price, Douglas P. Taylor, Kimberly L. Miles, C. Lee Jordan, and Pamela V. Lanham

of the City of Charleston, State of West Virginia, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 28th day of March, 2007

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By:

George W. Thompson
George W. Thompson, Senior Vice President

On this the 28th day of March, 2007, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2011.



Marie C. Tetreault
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kori M. Johanson, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 8th day of October, 20 07.


Kori M. Johanson, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.stpaultravelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

Attachment C (continued): Financial Qualifications

Credit Ratings



RatingsDirect

RESEARCH

Research Update:

FirstEnergy Solutions Assigned 'BBB' Rating; Outlook Stable

Publication date:

26-Mar-2007

Primary Credit Analyst:

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Rationale

On March 26, 2007, Standard & Poor's Ratings Services assigned its 'BBB' corporate credit rating to Akron, Ohio-based merchant power producer FirstEnergy Solutions Corp. (FES), an unregulated, wholly-owned subsidiary of FirstEnergy Corp. (BBB/Stable/--). The outlook is stable.

The ratings on FES reflect the credit profile of its parent, which maintains a close business and strategic connection with FES. FES' stand-alone business risk profile is weaker than FirstEnergy's and would not support the rating without the parental influence. FES' credit quality benefits from a strong collection of fossil fuel-fired generating plants with attractive cost positions and a record of consistent and improving operations. An uneven, but improving, operating history on the nuclear side and heightened risk during the transition of the generating fleet to a more market-oriented focus detract from creditworthiness.

FES holds over 13,000 MW of electric generating assets in Ohio and Pennsylvania that were transferred from several of the FirstEnergy utilities in 2005. The plants are fueled by coal (roughly two-thirds of FES output) and uranium (one-third), with a small amount of gas-fired and hydroelectric plants. The assets today are mostly dedicated to providing electricity and capacity to FirstEnergy's retail electric customers in those states. In time, the plants will migrate to merchant status, selling power at market rates to customers willing to pay those rates.

In addition to that market risk in the future, FES faces commodity price risk today in procuring fuel to generate electricity. In particular, coal prices and emissions allowances can be volatile and represent significant risk to FES. FES' other risk factor is the costs associated with current and prospective environmental regulations for the coal-fired plants. The four nuclear units mitigate the environmental risk, which helps offset the elevated operating risk associated with nuclear power production.

The future direction of FES and its role in FirstEnergy's corporate strategy is uncertain and will evolve as regulatory or legislative decisions in Ohio and Pennsylvania affect the company's strategy around its generation subsidiary. The FES rating is expected to closely track the FirstEnergy ratings as long as FES remains a significant and strategically important part of the parent's business profile.

Liquidity

FES depends on the resources of its parent FirstEnergy for liquidity. FirstEnergy's liquidity is strong. The company has a \$2.75 billion credit facility through 2011 at the parent and some of the subsidiaries, and about \$550 million in receivable financing at the operating companies. Debt maturities for 2007 are light at \$229 million.

Outlook

The stable outlook for FirstEnergy and subsidiaries reflects receding concerns

about FirstEnergy's operational management, as well as the company's improved financial risk profile and cash flow certainty. A ratings upgrade is unlikely in the medium term, as the current ratings reflect achieved deleveraging that has been suspended with stock buybacks and a worsening business risk profile as the generation fleet becomes increasingly vulnerable to market prices. Any evidence of deepening regulatory risk or perpetuation of uncertainty surrounding the regulatory framework in Ohio or Pennsylvania could lead to a ratings downgrade.

Ratings List

New Rating

First Energy Solutions Corp.
Corporate Credit Rating

BBB/Stable/--

Complete ratings information is available to subscribers of RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com; under Credit Ratings in the left navigation bar, select Find a Rating, then Credit Ratings Search.

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Moody's Investors Service

Global Credit Research

Rating Action

27 MAR 2007

Save as PDF

**Rating Action: FirstEnergy Solutions Corp.****Moody's assigns Baa2 Issuer Rating to FirstEnergy Solutions**

New York, March 27, 2007 -- Moody's Investors Service has assigned a Baa2 Issuer Rating to FirstEnergy Solutions Corp. ("FES"). FES is an unregulated subsidiary of FirstEnergy Corp. (FE), the parent holding company, and is in turn a holding company for its consolidated subsidiaries, FirstEnergy Generation Corp. (FEGenco) and FirstEnergy Nuclear Generation Corp. (FENGenco). An Issuer Rating is an unsecured rating intended to describe the legal entity's general unsecured credit risk as an unsecured creditor and does not reflect any structural aspects that might be expected in a specific security issuance. The rating outlook is stable.

FES' generation asset ownership occurred relatively recently. In May 2005, certain utility subsidiaries of FE in Ohio and Pennsylvania entered into agreements implementing a series of intra-system generation asset transfers that were completed in the fourth quarter of 2005. These asset transfers resulted in the respective ownership interests of the Ohio and Pennsylvania utilities in their fossil and nuclear generation assets being owned respectively by FEGenco and FENGenco. FES generation portfolio has 13,273MW of capacity, made up of coal (7,439MW), nuclear (3,878MW), gas/oil fired (1,513MW) and hydro (443MW) capacity.

These asset transfers were undertaken in furtherance of FE's restructuring plans in Ohio and Pennsylvania, which were approved by those states' respective public utility commissions. Consistent with the restructuring plans, generation assets that had been owned by the utility subsidiaries were required to be separated from their regulated delivery businesses through transfers to a separate corporate entity. FEGenco and FENGenco are the entities to which the generating plants have been transferred. FES is a subsidiary of FE and a corporate peer of the FE utilities. FES is the "unregulated" generation affiliate of the FE family and will sell wholesale power to the Midwest ISO and the PJM Interconnection, while satisfying certain contractual obligations to provide capacity and energy for the provider-of-last-resort (POLR) requirements of the FE utilities. FEGenco, which holds the fossil generating assets, and FENGenco, which holds the nuclear generating assets, are subsidiaries of FES.

The rating reflects the contracted nature of FES' revenues and cash flows with its investment grade operating utility affiliates through the end of 2008 in Ohio and through 2010 in Pennsylvania. This provides for a degree of predictability and stability to the cash flows through that time. After these respective periods, generation will likely go to a competitive market model, the precise structure of which is still uncertain. Until then, however, the pricing in the contracts with the utilities is reflective of the actual amount the utilities bill their customers for generation service plus incremental fuel costs incurred by FES for power sales to the Ohio utilities up to FERC approved wholesale price caps.

The rating also reflects the diversity and scale of its generation assets, which consist largely of low-cost, competitive base-load coal and nuclear generation, tempered by the substantial capital expenditures necessary for environmental compliance, and the uncertainty with respect to the transition to market prices for generation in Ohio in 2009 and Pennsylvania in 2011. Moody's expects that there will be reasonably supportive regulatory responses in both states when FE's regulated utilities transition to market prices for generation. This expectation is based on the supportiveness of the Ohio and Pennsylvania regulatory environments in the past and FE's expressed desire for an orderly transition to market-based rates.

"FirstEnergy Solutions' credit metrics and risk profile compare favorably with similarly rated generation subsidiaries," said Richard Donner, Vice President and Senior Credit Officer. FES' credit metrics, diversity and scale of generation assets, strategic and economic importance to FE, and the predictable and stable cash flows generated by the contracted nature of its revenues compares favorably to other Baa rated generating subsidiaries. However, the rating is constrained by aforementioned uncertainty with respect to the transition to market prices for generation.

The stable outlook for the rating reflects the stability and predictability of FES' contracted revenue, Moody's expectation of continuing supportive regulatory environments in Ohio and Pennsylvania, and the expectation that capital expenditures will be within the guidance provided in the 2006 10-K.

A Credit Opinion with additional details and ratings rationale will be posted on www.moodys.com.

FirstEnergy Solutions Corp., headquartered in Akron, OH, is a wholly-owned subsidiary of FirstEnergy Corporation.

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